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China Hongqiao Group Limited
中國宏橋集團有限公司

(Incorporated under the laws of Cayman Islands with limited liability)
(Stock Code: 1378)

Voluntary Announcement

Reference is made to the announcement of China Hongqiao Group Limited (the “**Company**”) dated 25 April 2013 in relation to the issue of the Medium-term Notes and Short-Term Financial Bonds in the People’s Republic of China (“**PRC**”) by Shandong Hongqiao New Material Co., Ltd. (“**Shandong Hongqiao**”), a wholly-owned subsidiary of the Company.

As the third quarterly financial information in 2018 of Shandong Hongqiao is available only in Chinese, the Company wishes to provide the following unaudited consolidated balance sheets as at 30 September 2018 and unaudited consolidated income statements for the nine months ended 30 September 2018 prepared by Shandong Hongqiao.

The board of directors of the Company wishes to remind investors that the financial information contained herein is prepared based on the generally accepted accounting principles of the PRC and the unaudited management accounts. It has not been reviewed or audited by the auditors of Shandong Hongqiao and the Company.

The investors are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the shares of the Company.

CONSOLIDATED BALANCE SHEET

Prepared by Shandong Hongqiao New Material Co., Ltd.

Date: 30 September 2018

Units: RMB

Item	Opening balance (Restated)	Ending balance	Item	Opening balance (Restated)	Ending balance
Current assets:			Current liabilities:		
Cash at bank and on hand	22,983,653,119.02	42,407,169,558.05	Short-term borrowings	8,769,445,229.27	15,957,901,722.58
Financial assets at fair value through profit or loss			Financial liabilities at fair value through profit or loss		1,923,675.00
Derivative financial assets			Derivative financial liabilities		
Notes receivable and Accounts receivable	14,463,668,767.34	14,828,284,288.20	Notes payable and Accounts payable	15,909,249,050.30	15,644,377,350.33
Prepayments	302,218,211.58	1,023,046,633.03	Advances from customers	735,232,096.93	1,328,297,616.26
Other receivable	1,926,632,996.56	1,898,007,531.26	Staff remuneration payables	367,350,137.55	432,584,708.49
Inventories	15,315,713,593.69	17,681,660,218.01	Taxes payable	2,184,444,453.23	2,777,179,328.37
Assets held for sale			Other payable	10,633,128,042.71	9,535,619,508.33
Non-current assets due within one year		1,423,450,941.64	Liabilities held for sale		
Other current assets	1,430,007,081.46	7,811,201,836.92	Non-current liabilities due within one year	10,458,620,227.23	2,241,312,000.00
			Other current liabilities	3,016,649,313.64	4,015,065,000.00
Total current assets	56,421,893,769.65	87,072,821,007.11	Total current liabilities	52,074,118,550.86	51,934,260,909.36
Non-current assets:			Non-current liabilities:		
Available-for-sale financial assets	117,000,782.51	117,000,782.51	Long-term borrowings	6,204,485,000.00	7,271,171,875.00
Held-to-maturity investments			Bonds payable	36,271,870,703.78	41,084,642,839.79
Long-term receivables		819,907,518.84	Of which: Preference shares		
Long-term equity investments	19,836,935.94	115,387,579.45	Perpetual bond		
Investment property	150,930,767.25	148,622,635.16	Long-term payables	5,612,400,028.32	12,339,336,346.16
Fixed assets	74,205,988,235.42	67,409,551,632.58	Estimated liabilities		
Construction in progress	4,243,935,211.77	4,094,379,557.77	Deferred income	287,021,140.22	535,593,571.43
Biological assets for production			Deferred tax liabilities	363,135,811.13	389,961,610.21
Oil and gas assets			Other non-current liabilities		
Intangible assets	3,879,327,764.17	4,922,359,738.19	Total non-current liabilities	48,738,912,683.45	61,620,706,242.59
Development expenses			Total liabilities	100,813,031,234.31	113,554,967,151.95
Goodwill	1,265,762,914.07	757,277,275.83	Owners' equity:		
Long-term prepaid expenses	2,435,932.18	2,131,222.93	Share capital	9,921,364,362.00	9,921,364,362.00
Deferred tax assets	1,607,687,753.43	1,508,627,997.94	Other equity instruments		
Other non-current assets	10,386,111,838.15	389,215,828.18	Of which: Preference shares		
Total non-current assets	95,879,018,134.89	80,284,461,769.38	Perpetual bond		
			Capital reserve	275,000,000.00	
			Less: Treasury Share		
			Other comprehensive income		
			Special reserve	253,011,703.68	365,147,214.36
			Surplus reserve	1,155,914,646.70	1,155,914,646.70
			Undistributed profits	38,619,005,779.85	41,080,997,896.52
			Minority interests	1,263,584,178.00	1,278,891,504.96
			Total owners' equity	51,487,880,670.23	53,802,315,624.54
TOTAL ASSETS	152,300,911,904.54	167,357,282,776.49	TOTAL LIABILITIES AND OWNERS' EQUITY	152,300,911,904.54	167,357,282,776.49

Authorised representative:
Zhang Shiping

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Ma Fei

CONSOLIDATED INCOME STATEMENT

Prepared by Shandong Hongqiao New Material Co., Ltd. January to September 2018 Units: RMB

Item	Amount for the current period	Amount for the corresponding period last year
I. Operating income	66,087,159,465.41	73,695,311,512.88
Less: Operating cost	53,934,183,538.56	60,664,075,555.66
Taxes and surcharges	666,136,935.87	468,958,411.48
Selling expenses	145,554,935.06	222,727,282.98
Administrative expenses	1,333,770,792.97	1,322,958,822.42
Research and development expenses	628,535,212.82	
Financial expenses	3,879,109,983.36	2,299,972,917.51
Of which: Interests expenses	3,091,859,860.32	2,626,840,175.40
Interests income	512,846,500.11	434,932,364.93
Asset impairment losses	521,653,316.11	3,431,104,387.85
Add: Other gains	7,500,714.29	3,980,714.29
Investment gains (Losses are indicated by “-”)	-639,747,014.91	107,710,572.81
Of which: Investment gains on joint ventures and associates		
Gains from changes in fair value (Losses are indicated by “-”)	-1,923,675.00	8,023,134.16
Gains on disposal of assets (Losses are indicated by “-”)	155,917.85	
II. Operating profit (Loss is indicated by “-”)	4,344,200,692.89	5,405,228,556.24
Add: Non-operating income	47,628,174.36	94,031,695.78
Less: Non-operating expenses	11,989,190.64	13,131,728.16
III. Total profit (Loss is indicated by “-”)	4,379,839,676.61	5,486,128,523.86
Less: Income tax expenses	1,902,540,232.83	1,645,429,036.84
IV. Net profit (Net loss is indicated by “-”)	2,477,299,443.78	3,840,699,487.02
(I) Net profit from continuing operations (Net loss is indicated by “-”)	2,477,299,443.78	3,840,699,487.02
(II) Net profit from discontinued operations (Net loss is indicated by “-”)		

Authorised representative:
Zhang Shiping

Person-in-charge of
accounting:
Zhang Ruilian

Prepared by:
Ma Fei

By Order of the Board
China Hongqiao Group Limited
Zhang Shiping
Chairman

Shandong, the People’s Republic of China
30 October 2018

As at the date of this announcement, the Board comprises ten directors, namely Mr. Zhang Shiping, Ms. Zheng Shuliang, Mr. Zhang Bo and Ms. Zhang Ruilian as executive directors, Mr. Yang Congsen, Mr. Zhang Jinglei and Mr. Chen Yisong (Mr. Zhang Hao as his alternate) as non-executive directors, and Mr. Xing Jian, Mr. Han Benwen and Mr. Dong Xinyi as independent non-executive directors.